

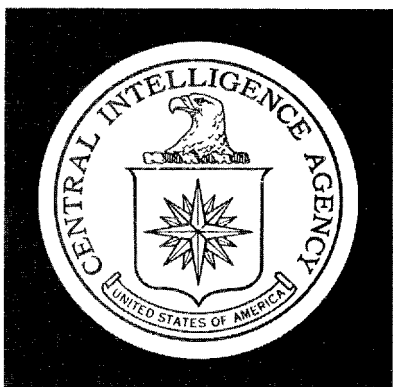
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DIRECTORATE OF  
INTELLIGENCE

## MEMORANDUM

### *The Situation in Vietnam*

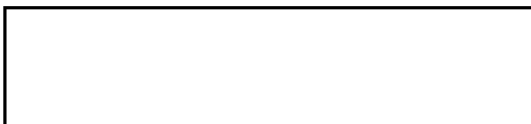
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Information as of 1600

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HIGHLIGHTS

There are strong indications that Phan Khac Suu, chairman of the Constituent Assembly, will run for president as a civilian opponent to a military candidate.

I. The Military Situation in South Vietnam:  
Military activity remains high in the I Corps area of South Vietnam with several clashes reported between allied and Communist forces (Paras. 1-3). A captured document recently made available provides further evidence of friction among the Viet Cong in the Saigon area (Paras. 4-9).

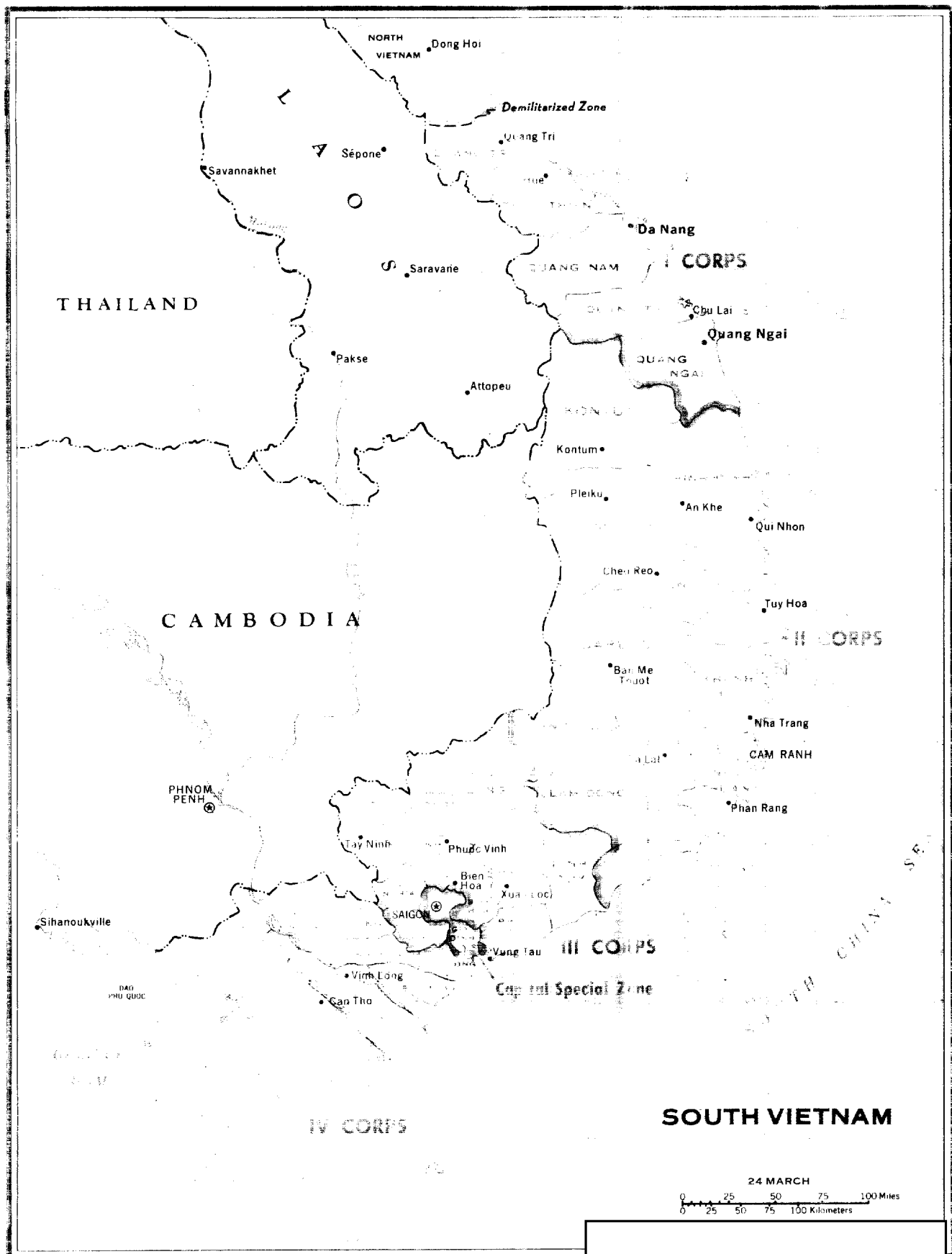
II. Political Developments in South Vietnam:  
Constituent Assembly chairman Phan Khac Suu formally presented the constitution to Chief of State Thieu on 24 March (Paras. 1-2). Phan Khac Suu will most likely be a presidential candidate in the forthcoming elections, with Phan Quang Dan as his running mate (Paras. 3-4).

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IV. Other Communist Military Developments:  
There is nothing of significance to report.

V. Communist Political Developments: Peking has once again raised the specter of a US attack on China (Para. 1).

VI. Other Major Aspects: Reports from air observers indicate that the Communists are continuing road improvements at the northern and southern ends of the Laos panhandle (Para. 1).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Encounters between US and Communist forces in South Vietnam's I Corps area continue at a relatively high rate. US Marines near the DMZ reported several sharp clashes in their search for enemy troops and headquarters and/or supply areas in northern Quang Tri Province. South Vietnamese Army troops also reported several engagements in the northern provinces on 23-24 March.

2. A US Marine patrol established contact on 23 March with an estimated battalion-size enemy force about 26 miles southwest of Da Nang in Quang Nam Province. Reinforced by a company and several armored vehicles, the Americans forced the enemy to withdraw and to leave behind more than 60 dead. There were no US casualties.

3. Nearly 300 rounds of mortar fire were directed at a US Marine position 23 miles southeast of Quang Ngai city in coastal Quang Ngai Province early on 24 March. In addition to the ten US casualties, several artillery positions, a support area, and a fuel dump were hit, causing an undetermined amount of damage. Enemy losses from the US reaction effort are unknown.

Friction Among Viet Cong in Region IV

4. A Viet Cong document captured during Operation CEDAR FALLS last January and just made available has provided further evidence of friction among the Viet Cong in the Communists' Military Region IV, the area surrounding Saigon.

5. The document contains minutes of a meeting held in late September 1966 for the express purpose of resolving disagreements between the Cu Chi District (Hau Nghia Province) Military Affairs Committee and the 7th Viet Cong Local Force Battalion which operates in Cu Chi. Battalion personnel complained that Military Affairs Committee

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members were "impolite" and had caused a critical ammunition shortage, that rear service units had not cooperated with the battalion, that the medical section had dismissed wounded personnel before they were fully recovered, causing the death of at least one soldier, and that orders to "break down" the battalion had prevented the conduct of large-scale military operations. The Military Affairs Committee personnel, in their turn, charged that the 7th Battalion had failed to comply with orders of the Military Affairs chief.

6. Friction among Viet Cong troops in Military Region IV has been described in other captured documents, but previous references did not extend to command echelons and appeared to have been the result of momentary strains.

7. Earlier captured documents have suggested probable reasons for the Cu Chi agency's failure to provide necessary services which has contributed to this dissension at the command level. According to one document, for instance, allied military operations in Cu Chi had caused the shut-down of several arms and ammunition workshops as of early September 1966. All rear service activities--the purchase and transport of food, military supplies, and medicines and medical equipment--have also been severely hindered by allied operations in Region IV.

8. As for the orders that the battalion be "broken down," the seven battalions in Military Region IV, which were formerly subordinate to the 165A Viet Cong Regiment, have traditionally operated in company-size units in the region's districts. In mid-1966, in addition, six of the seven battalions were removed from the direct control of the region and placed under the direction of the various district military affairs committees. In the case of the 7th Battalion personnel, dissatisfaction over what is, in effect, a downgrading from main force status, is probably a primary cause of their

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failure to comply with orders and their otherwise unreasonable accusations against the Cu Chi District Military Affairs Committee.

9. The document provides no indication that the discord was resolved and, in view of continuing allied pressure in Cu Chi District and more recent evidence that the Viet Cong are still having logistic difficulties, it is unlikely that a solution has been reached.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Constituent Assembly chairman Phan Khac Suu formally presented the constitution to Chief of State Thieu in a brief ceremony in Saigon today. The next scheduled step in the constitutional process is the pro forma ratification of the constitution by the Armed Forces Congress, which is expected to meet sometime next week. According to the US Embassy, the Constituent Assembly will not meet again until after the constitution is promulgated, probably early next month, at which time it will elect new permanent officers and standing committees for its limited legislative role during the transitional period. Meanwhile, some of the assemblymen reportedly have returned to their constituencies.

2. At a press conference on 22 March, Constituent Assembly representatives answered various questions about the constitution and the transitional period. Perhaps the most noteworthy response was made by Ngo Thanh Tung, a member of the drafting subcommittee, who indicated no particular objections to the schedule of election dates which has been set by the government. There has been some question that the assembly, in its election law drafting capacity, might attempt to put off elections for a lower house to prolong its own life. It is not yet clear, however, whether Tung's remarks represent a consensus of the assembly on this matter.

3. Phan Khac Suu apparently will run for president as civilian opposition to a military candidate. On 21 March, he told reporters that a number of friends had urged him to run, although he did not commit himself to do so. He did state that if he should run, he would choose Phan Quang Dan, a prominent independent in the assembly, as his running mate. Dan, a northerner who is popular in Saigon, told an embassy officer on 20 March that he has definitely decided to run as a vice-presidential candidate with Suu, an elderly Cao Dai southerner. He said he recognizes the strong position that a military candidate will have but is confident that he and Suu will make a strong showing among the electorate if the elections are honest.

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4. There is no confirmation of a CBS report from Saigon that Premier Ky indicated at an "impromptu press conference" today that he would not be a candidate for the presidency. Ky has, in the past, frequently avowed in public that he is not interested in a political future, preferring to return to the air force, but he continues to act like a candidate.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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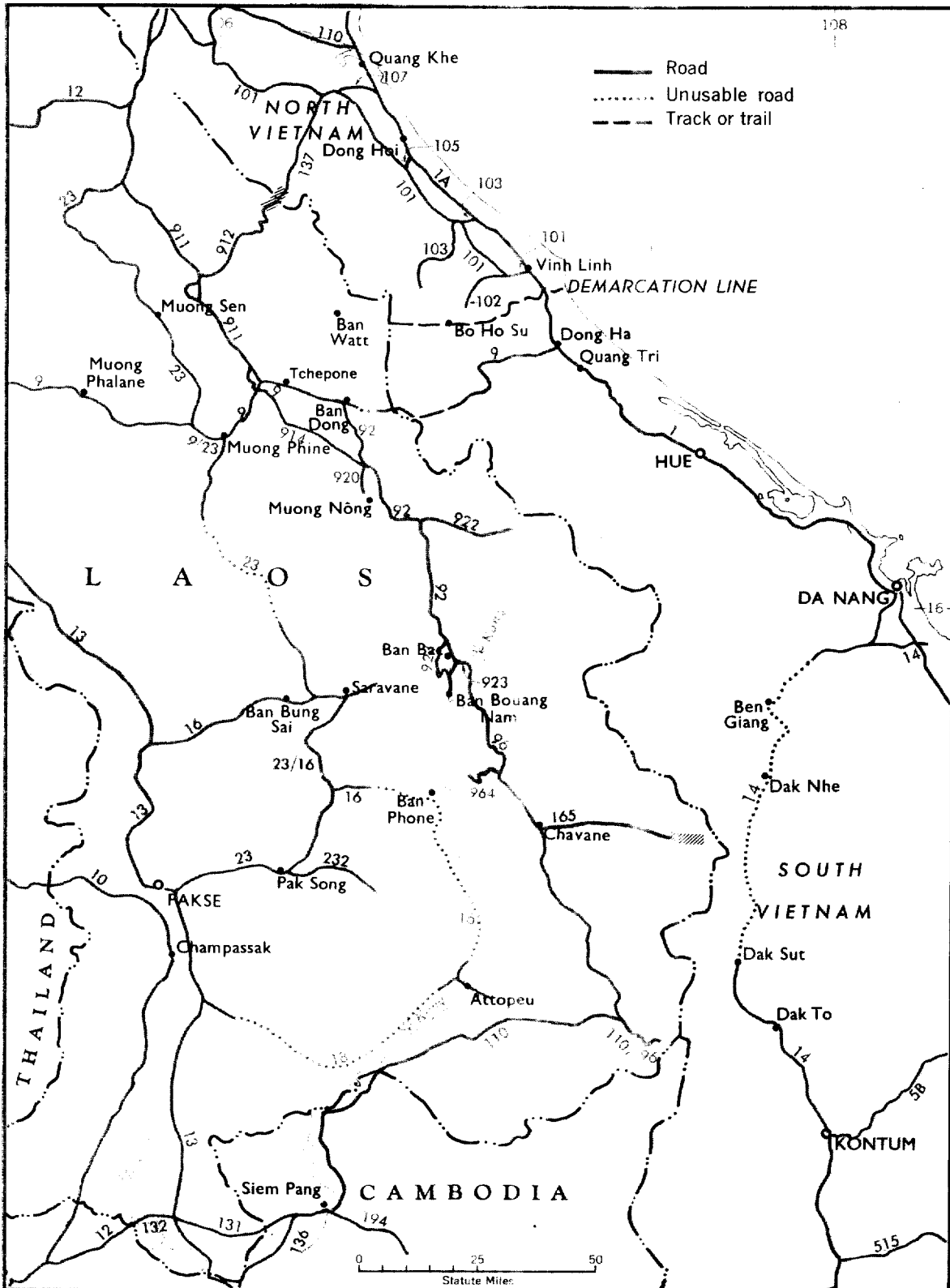
V. COMMUNIST POLITICAL DEVELOPMENTS

1. Peking is once again raising the specter of a US attack on China. On 23 March Foreign Minister Chen Yi told a Peking banquet that the Guam Conference was held to plan "war escalation" and that the US is "actively preparing" to extend the Vietnam war to all of Southeast Asia and to China. This is one of the few instances since late last year in which Peking has referred to the possibility that the US will attack China. Chinese propaganda also warned of a possible attack on China following last October's Manila Conference which, like the Guam Conference, was described in the US press as discussing a buildup of US forces in Vietnam.

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## LAOS PANHANDLE



VI. OTHER MAJOR ASPECTS

1. Reports from air observers indicate that in mid-March the Communists were continuing road improvements at the northern and southern ends of the Laos panhandle. A seven-mile section of new Route 912--which enters Laos from North Vietnam south of Mu Gia Pass--is being widened by approximately 20 feet to form two lanes. The road is being widened from a point about five miles inside the North Vietnamese border to a point about three miles inside Laos. In the southern panhandle, Route 165 has recently been extended to a point about seven miles from the South Vietnamese border. During the last dry season this route was believed to have been motorable to about 20 miles from the border.

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